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PRESS RELEASE

FOR IMMEDIATE RELEASE

**ACTING UNITED STATES ATTORNEY ANTHONY JENKINS
AND BRIAN WIMPLING, SPECIAL AGENT IN CHARGE, INTERNAL
REVENUE SERVICE/CRIMINAL INVESTIGATIONS
ADDRESS ECONOMIC DEVELOPMENT PROGRAM CONCERNS**

Acting U.S. Attorney Anthony Jenkins and Brian Wimpling, Special Agent in Charge, Internal Revenue Service/Criminal Investigations today addressed public concerns about the Economic Development Company ("EDC") Program in the Virgin Islands. They stated that the EDC Program has been an economic benefit to the people of the Virgin Islands and has assisted in kindling a boom in the Territory. They further noted that the EDC Program which allows tax benefits to companies who become resident in the Virgin Islands and have source income from activities in the Virgin Islands, has encouraged businesses to relocate to the Virgin Islands and has thereby helped the economy of the territory. Because of the tax benefits that are available, the EDC Program can be a tremendous incentive to businesses.

While the EDC Program may present tremendous benefits to the Virgin Islands economy and legitimate business interests, they cautioned that such incentives

occasionally are viewed by less scrupulous interests, driven by greed and unconcerned with the law, as an opportunity to engage in fraud. While such interests may represent a small fraction of the participants of any incentive program, Jenkins stated that “prosecution of such entities who engage in fraud, to the extent they exist in any arena, including an incentive program, will be investigated and prosecuted to the fullest extent of the law.”

Jenkins further stated “we want to reassure the people of the territory that any prosecution will be conducted, consistent with Department of Justice policy, in a fair and balanced manner that avoids any chilling effect on the development of a legitimate and important program. Indeed, the ultimate beneficiary of our policy is the public, who will share in the benefits to the territory of a successful EDC Program conducted without fraud.”